

ALAMEDA MEDICAL SUPPLY TEST
(Federal Supply Management)

SEVENTEENTH INTERMEDIATE REPORT
OF THE
COMMITTEE ON EXPENDITURES IN THE
EXECUTIVE DEPARTMENTS



JUNE 27, 1952.—Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 27, 1952.

HON. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: By direction of the Committee on Expenditures in the Executive Departments, I submit herewith the Seventeenth Intermediate Report titled "Alameda Medical Supply Test."

WILLIAM L. DAWSON, *Chairman.*

LETTER OF TRANSMITTAL

Office of the Secretary
Washington, D. C., June 1, 1918.

Hon. Ray B. Brown

Secretary of the House of Representatives

Washington, D. C.

Dear Mr. Brown: I have the honor to acknowledge the receipt of your letter of the 28th inst. in relation to the proposed amendment to the Constitution of the United States, which would give the President the power to remove and appoint judges of the Supreme Court. I have the honor to inform you that the same has been referred to the Committee on the Judiciary, and that the Committee has the honor to report the same to the House of Representatives.

Very truly,
Sincerely,
Respectfully,
Yours,
Very truly,
Sincerely,
Respectfully,
Yours,

Union Calendar No. 728

82D CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
No. 2330

ALAMEDA MEDICAL SUPPLY TEST (FEDERAL SUPPLY MANAGEMENT)

JUNE 27, 1952.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DAWSON, from the Committee on Expenditures in the Executive Departments, submitted the following

SEVENTEENTH INTERMEDIATE REPORT

Submitted by the Subcommittee on Intergovernmental Relations

On June 27, 1952, the Committee on Expenditures in the Executive Departments unanimously approved the report of the Intergovernmental Relations Subcommittee on the Alameda Medical Supply Test (Federal Supply Management). The chairman was directed to transmit a copy to the Speaker of the House.

INTRODUCTORY STATEMENT

In the summer of 1951 at Alameda, Calif., the Department of Defense undertook a test for unified distribution of medical supplies. This test was instituted to evaluate the feasibility of assigning to one military department the responsibility for distribution in the armed services of medical items and for their depot storage, issue, and maintenance. It should be stressed that the Alameda experiment is of a unique character in the field of unified military supply distribution. The Munitions Board was named to oversee the test (exhibit 3). Actual operations commenced on March 1, 1952 (exhibit 4E) with the Army Alameda depot receiving requisitions from all military services in the western part of the zone of interior and overseas, including the Korean theater.

The subcommittee report on Federal Supply Management¹ recommended that—

a realistic plan of cross servicing of medical supply should be initiated at once as an additional step toward integration in this field (medical supply field).

¹ H. Rept. No. 658, 82d Cong., 1st sess., p. 468.

In subcommittee hearings² which followed the issuance of this report, it was developed that as a result of a directive of the Secretary of Defense of July 17, 1951, the medical supply field should receive immediate attention.

Paragraph 5 (c) of the directive in this regard reads:

Priority study shall be given to the feasibility of assigning to a single military department the responsibility for procurement, distribution, including depot storage and issue for classes of common items of supply and equipment, and depot maintenance of such equipment. Medical supply items shall be the first category to be studied.³

The Department of the Army upon being assigned the responsibility for the test chose the Army medical depot at Alameda as the operating base. Meantime, the Navy Oakland depot is being kept in stand-by status.

To assure validity of conclusions reached in this test, the selection of Alameda not only provides a representative cross-section of supply support for all three services in the Western States but, in addition, supplies Korean operations. In this way Alameda can demonstrate the effectiveness of supplying medical items to combatant elements.

This experiment has an important bearing on future handling of medical supplies world-wide for, if successful, it can be extended to many other commodity classes. The Department of Defense has several other such commodity areas under study as a result of the Department of Defense directive of July 17, 1951.⁴

Medical distribution

To assure adequate medical stocks for Navy needs during the test, the Alameda Army depot received 2,000 tons of medical items (\$2.5 million value) from the Navy depot at Oakland. This is a 3-month supply requirement for the Navy. As needed, additional stocks will be transferred from Navy sources to Alameda. Under existing agreements Air Force is supplied from that installation also. Thus all three military services are made active participants in the unified test.

Alameda has become a storage and issue point for a unified medical supply pipeline. The effectiveness of the test will be gaged by the adequacy of supply which the Alameda depot can render to military activities. In this connection, the subcommittee observed during its recent overseas study that personnel stationed abroad are not generally concerned whether supplies are issued from one depot or another or from one military department or another so long as requirements are met.⁵

The medical supply test has key significance in military supply organization and management. It can be a guide to handling many other common commodity classes. It may point a way to great savings for the taxpayer in material, space, manpower, and transportation. Moreover, it is important to note that if a form of unified distribution had existed during the first days of the Korean crisis,

² See hearings on Federal Supply Management (Military and Related Activities).

³ See exhibit 4B for full text of July 17, 1951, directive No. 250.01-1.

⁴ See testimony of Gen. Joseph T. McNarney, p. 189, and John D. Small, p. 214, Federal Supply Management. Also testimony of Under Secretary of the Army, Archibald S. Alexander, Karl R. Bendtsen, Assistant Secretary of the Army, and Chairman John D. Small in Hearings on Federal Supply Management (Textiles and Clothing and ASPR conference February 22 to March 11, 1952).

⁵ Brig. Gen. D. H. Alkire, Far East Air Force, Tokyo, stated:

"... we don't care how it is procured or how it is distributed to the theater. We are asking here that the material enter the Air Force pipeline when it arrives in the theater. That still permits the commander in chief of the command to divert his resources to anybody that needs them in an emergency or times of distress. For a normal accomplishment of the mission we can be more effective if we have sole supply support."

the heavy burden placed on Army facilities to furnish medical supplies for our Korean troops would have been eased since the Navy could have contributed more heavily to the common objective through existing facilities.⁶ It is interesting to note that during the period when the Army was having difficulty in obtaining medical supplies, the Navy depots had on hand large stocks for its own use. In fact, today the Navy total output from all depots has increased but slightly since the Korean outbreak. (See exhibits 2A and 2B.)

Military medical depots

In addition to Alameda, the Army has medical depots at Louisville, Ky.; St. Louis, Mo.; Atlanta, Ga.; and Schenectady, N. Y. These installations have 4,353,000 gross square feet of space operated, with volume on hand placed at 84,907 tons as of December 31, 1951.

The Navy has five medical depots. They are located at Edgewater, N. J.; Mechanicsburg, Pa.; Oakland, Calif.; Clearfield, Utah; and Spokane, Wash. Medical supplies on hand occupy 1,862,124 square feet of space totaling 49,645 tons. (See exhibit 1.) During the last quarter of the calendar year 1951, the Army issued 14,187 tons of medical items from its depots with 84,907 tons remaining on hand at the end of that period.⁷

During this same quarter, the Navy issued 5,399 tons and had on hand 49,645 tons at the end of that period.⁸

Medical issuance from Army and Navy sources, therefore, amounted to 19,586 tons in the last quarter of calendar year 1951. This indicates an average annual rate of issue of 78,344 tons. When the issue rate of tonnage is compared to the stocks remaining which aggregate 134,552 tons, it is evident that medical items available to the services in the aggregate indicate a 2-year supply on hand based on tonnage figures. It is likely that the items on hand are not properly balanced—some being in long and others being in short supply. This may be accounted for since some residual stocks from World War II are carried in storage. Also changes in needs cause disuse and obsolescence. In addition, the services are stocking certain work reserves.

A total annual issuance of 78,344 tons by the Army and Navy systems could be stored and issued from approximately 1 million gross square feet of space.⁹

An examination of storage and warehousing data indicates that the combined space operated by the military departments is 6,205,124 gross square feet. Assuming that stocks are not balanced perfectly and that additional space may be required for reserves and special circumstances, such as assembled storage field units, it is clear that at the rate of current issuance, the total of gross square feet allocated to the storage of medical items could be reduced. Of the medical depots cited, three could amply handle all military requirements based on warehousing and geographical locations. For example:

	Gross square feet
Alameda (Army)-----	677, 000
St. Louis (Army)-----	1, 257, 000
Edgewater (Navy)-----	537, 775
Total-----	2, 471, 775

⁶ Testimony of Chairman Small before the subcommittee on March 11, 1952. See hearings on Federal supply management (textiles and clothing), (ASPR conference).

⁷ This is an estimated 18-month supply based on tonnage.

⁸ This represents 2-year supply based on tonnage. (See appendix 2b and 2c.)

⁹ Using 35.19 square feet of space per ton as a factor, 28,400 tons could be warehoused at one time and a three-time annual turn-over would amount to over 80,000 tons.

If the Alameda test is capable of being extended throughout the United States appropriate reduction in the gross square footage space required from the approximate 6,205,124 gross square feet now occupied by the combined military departments if possible. The savings from this source are evident. (Government space is estimated to cost approximately \$8 per square foot on the average.) This could be a decided improvement over the situation which the subcommittee high-lighted in a recent report.¹⁰ The facts cited in that case are that naval activities at Pensacola, Fla., draw medical supply support from a Navy depot at Edgewater, N. J.—over 1,400 miles distance—despite the fact the same supplies are stocked at the Army medical depot, Atlanta, Ga. Similarly, the Army operation at Fort Dix, N. J., receives medical supplies from the Army depot at Schenectady, N. Y., although Navy stocks are located at the nearby Edgewater, N. J., Navy depot. This duplication in distribution practices and facilities exists in medical supplies and many other commodity areas within the Military Establishment. It means overstocking valuable and critical supplies, excessive use of space, waste of manpower, and multiple cross-hauls with needless transportation costs.

At the west coast site selected for the medical test, the Army previously maintained a medical depot at Oakland, Calif., with 344,000 square feet of storage space. Across the street, the Navy had a similar depot with 535,000 square feet of space.¹¹ The Alameda depot with 677,000 square feet of space replaces these two installations totaling 879,000 square feet of space. This represents a savings of some 200,000 square feet of valuable space.

In the course of subcommittee hearings on Federal Supply Management,¹² the Alameda test was endorsed by the Under Secretary of the Army, Assistant Secretary of the Army, and the Chairman of the Munitions Board. These officials indicated that ample opportunity would be given to appraise the effectiveness at Alameda. They as well as other Defense officials have expressed themselves as believing that the test will be successful and capable of being applied across the Nation for medical items and for extension to other commodity areas.

It is significant to note that the Navy considers medical supplies common-use items, and the Bureau of Supplies and Accounts which is the common service agency for the Navy is assuming full responsibility for the storage and distribution of these supplies for the Navy.¹³

¹⁰ H. Rept. 658, 82d Cong., 1st sess., June 27, 1951: "Federal Supply Management (Military and Related Activities)."

¹¹ See pp. 476-479, Field Conferences on Federal Supply Management.

¹² See hearings on Federal Supply Management (Clothing Textiles and Footwear) (ASPR Conference) House Committee on Expenditures (82d Cong., 2d sess.), March 1952.

¹³ See subcommittee hearings of July 25, 1951, in Federal Supply Management pp. 163-164:

"Mr. BONNER. Does the Bureau of Supplies and Accounts procure and distribute medical supplies and equipment at the present time?"

"Admiral FOX. We are now working with the Bureau of Medicine and Surgery to take over the medical supply system of the Navy to integrate it with the Navy supply system, in compliance with the directive of the Secretary of the Navy of February 1, I believe.

"Mr. KOEHLER. I would like to say in that connection, Mr. Chairman, that I signed that directive and I postponed the actual date of take-over, so the whole program could be phased in and the Bureau of Medicine and Surgery and the Bureau of Supplies and Accounts are now in the process of phasing that program.

"Mr. BONNER. Can you give the basis upon which it was decided to combine these functions of S. and A.?"

"Mr. KOEHLER. On the basis that I firmly believe that the Navy should have a thoroughly integrated supply system in all phases. The Bureau of Medicine and Surgery has maintained its own supply system. The matter came up for review by Secretary Forrestal in 1947, at which time he issued a directive saying for the time being the Bureau of Medicine and Surgery should keep its own supply system.

"Mr. BONNER. Did you notice that one of our recommendations in our report was along this line?"

"Mr. KOEHLER. After discussion in the Navy the matter was referred to the Munitions Board and the Munitions Board approved the position that there should be that integration. It was approved by Secre-

Important aspects of single service procurement and distribution of medical items

Medical items are a limited class. They comprise about 9,000 articles¹⁴ and are listed in a joint Army-Navy catalog which has been in use for some time.¹⁵ All medical items are supplied by a few commercial producers. The production of these companies is based on a very rapid turn-over of stock with small reserves maintained on hand. These firms lead an almost hand-to-mouth production existence. In addition, this small group of manufacturers are the source of medical supplies for the Veterans' Administration, Public Health Service, Federal Civil Defense Administration, other Federal agencies, and the civilian population. In view of heavy requirements and limited production capacity, it is expedient that we combine all Government requirements and match them against our productive capabilities. These factors must be considered if everyone is to be properly protected. Industry is entitled to know what demands will be placed upon it.

Successful results of the Alameda test applied to common distribution points could conceivably reduce procurement requirements of the military departments. This could have the effect also of reducing overall Government requirements and permitting the medical suppliers to phase production more evenly and cheaply.

SUBCOMMITTEE COMMENTS

It is not the intention of the subcommittee to prejudice the results of this experiment. On the other hand, it should be noted that medical supply has been studied by many reliable groups during the past few years. It is the general conviction of those who have studied the matter that unification in procurement warehousing and distribution is feasible and should be done. The development of a catalog and the standardization of the relatively few items make it comparatively simple. Preparations for the test were very slow in getting under way though the Secretary of Defense endorsed the program almost a year ago.¹⁶

It can be anticipated that the operation and results of the Alameda experiment will receive considerable resistance from certain quarters as are any moves toward increased standardization and unification.

tary Marshall and on February 1 the implementing directive was issued. Consequently, the Bureau of Medicine and Surgery supply system will be turned over to the Bureau of Supplies and Accounts.

"Mr. BONNER. Do you consider medical items difficult to procure?"

"Mr. KOEHLER. I do not know. I would have to ask Admiral Fox to answer that.

"Admiral FOX. This is going to be a question of 'passing the buck.' Admiral Fox does not know, either. I have never purchased medical items. It has always been in the Bureau of Medicine and Surgery.

"My personal opinion is that they are no different from other items, that they are not difficult to procure. I do not believe these pose any problem to us which is not inherent in any other item of supply. They are packaged medicines. We obviously will have to have technical advice where it is needed, but for packaged medicines and supplies, I see no problem that is not presented in handling of other supplies.

"Mr. BONNER. Don't you feel that some of the ease of medical procurement can be subscribed to the existence of good specifications?"

"Admiral FOX. Absolutely.

"Mr. BONNER. Would you not say that any good basis for simplifying procurement can only be assured through the development of proper specifications?"

"Admiral FOX. I agree with you wholeheartedly, sir. It is when procurement comes down to human judgment of one person that we get into trouble.

"Mr. BONNER. Is it not a fact that proper development of specifications will permit qualified purchasing officers to obtain necessary supplies with a minimum required technical staff of assistants?"

"Admiral FOX. I do, sir."

¹⁴ See p. 194. Field Conferences on Federal Supply Management.

¹⁵ See pp. 476-479. Ibid.

¹⁶ See p. 5. Federal Supply Management. Also appendix 4 which contains policy and planning documents relating to the test.

Assurances from top Department of Defense officials indicate that the test will be given a fair trial. Numerous expressions have been made attesting to its possibilities for success.

It is the intention of the subcommittee to watch carefully and to observe on-the-spot any problem areas uncovered. After its conclusion—scheduled for August 31, 1952, the subcommittee believes that hearings and an evaluation of results should claim the attention of the Congress and the public.

This is a program which deserves general support. The public should be made aware of its importance. It is a positive and forward looking step toward an operation capable of increased efficiency, effectiveness and reduced cost to the taxpayers. It points the way to strengthen defense at less cost.

Responsiveness to command

The subcommittee considers it pertinent to point out that it has taken a tremendous effort over a long period of time to get this test under way.

The armed services have resisted any idea of unified "consumers logistics." Each service wants to control its own distribution system on the theory of "responsiveness to command."¹⁷ This is one reason why the military have several hundred million feet of expensive storage space with very slow turn-over of stock and excessive inventories of common items.¹⁸ Each desires to be independent and have its own complete facilities regardless of the impact on our resources.

Standardization of forms, procedures, and systems

The military services have different requisition forms which are being sent to the common depot at Alameda. This makes additional work and expense. The stock control systems of the services are not standard; this causes inefficiency. The absence of standardization in numerous seemingly small things prevents necessary unification of larger matters.¹⁹

Fund accounting

The medical supply test has been made more difficult by the fact that the Navy keeps title to its stock which thus requires separate accounting. This is proving costly and time-consuming. The Comptroller of the Department of Defense and other fiscal and operating staff might well simplify cross-servicing by establishing stock or revolving funds for fast-moving, common items like medical supplies which are issued through common depots to several users.

Space management

The subcommittee experienced difficulty in obtaining reliable and comparative statistics on medical supplies and space used for storage by the military services. In fact, different figures were obtained from different sources in the Pentagon on identical subjects.

It is strongly recommended that the Secretary of Defense standardize forms and procedures for space management and prescribe uniform definitions of terms and establish uniform standards as for example "number of cubic feet per ton," etc.

¹⁷ General Eisenhower considers this to be "one of the oldest and most fallacious of shibboleths." See also p. 19 of H. Rept. 1994, 82d Cong., 2d sess., for discussion on "responsiveness to command" relative to unified commands.

¹⁸ See exhibit 5 for statistics prepared by Hoover Commission Task Force on the Federal Supply System.

¹⁹ See p. 20 of H. Rept. 1994, 82d Cong., 2d sess.

Commercial concerns reduce overhead by using space, which is worth several dollars per square foot, to the maximum. They often obtain 10 or 12 or more turn-overs of stock annually. This is not so in Government-owned space where even common stocks don't turn once a year. The subcommittee believes that millions of feet of warehouse space owned by the military could, through better management, accommodate many times the present issue of common use items. More demand and better merchandizing are required to get increased turn-over.

Economical use of valuable space will greatly reduce the need for more public works for warehouses.

Stocking levels

It should also be borne in mind that it is expensive to hold an inventory. Direct deliveries from supplier to user will obviate the need for depot space. Also more realistic production scheduling will reduce high stocking levels. The fact that production time may be 6 months does not mean that a 6-months depot stock is required. Planned delivery schedules will periodically bring into the pipeline the amount that is used during the period. Deliveries can come into the pipeline on contract terms as may be required.

APPENDIX

EXHIBIT 1

All medical depots ¹

ARMY

Depot	Tonnage on hand Dec. 31, 1951	Gross square feet of space operated			
		Warehouse	Shed	Open improved	Total
Louisville.....	24,759	1,732,000	173,000	712,000	2,617,000
St. Louis.....	29,373	1,257,000	-----	-----	1,257,000
Alameda.....	15,570	677,000	-----	-----	677,000
Atlanta.....	9,484	307,000	-----	-----	307,000
Schenectady.....	5,721	380,000	-----	152,000	532,000
Total, Army.....	84,907	4,353,000	173,000	864,000	5,390,000

NAVY

Edgewater.....	15,268	537,775	-----	14,074	551,849
Mechanicsburg.....	7,947	376,803	-----	-----	376,803
Oakland.....	13,226	479,007	-----	12,000	491,007
Clearfield.....	9,829	354,662	-----	-----	354,662
Spokane.....	3,375	113,877	-----	-----	113,877
Total, Navy.....	49,645	1,862,124	-----	26,074	1,888,198
Grand total.....	134,552	6,205,124	173,000	890,074	7,278,198

EXHIBIT 2A

Medical supply data, Army and Navy depots ¹

Calendar year quarter ending—	Tonnages					
	In		Out		On hand	
	Army	Navy	Army	Navy	Army	Navy
June 30, 1950.....	6,816	4,676	7,301	4,690	72,771	40,488
Sept. 30, 1950.....	8,824	5,476	11,543	5,334	70,052	40,630
Dec. 31, 1950.....	12,375	3,488	15,120	4,160	67,307	39,958
Mar. 31, 1951.....	15,352	5,898	13,440	5,426	69,249	40,430
June 30, 1951.....	15,082	7,658	15,286	6,174	69,045	41,914
Sept. 30, 1951.....	19,120	8,167	13,305	4,705	74,860	45,376
Dec. 31, 1951.....	24,234	9,668	14,187	5,399	84,907	49,645
Total.....	101,833	45,031	90,182	35,888	-----	-----

¹ As of last comparable period (Dec. 31, 1951).

EXHIBIT 2B

Medical supply data by depots (Navy) by quarters

[Tons]

Calendar year quarter ending—	Edgewater			Mechanicsburg			Oakland			Clearfield			Spokane			Total		
	In	Out	On hand	In	Out	On hand	In	Out	On hand	In	Out	On hand	In	Out	On hand	In	Out	On hand
June 30, 1950.....	2,486	3,069	13,136	1,233	193	2,838	950	662	7,545	7	696	12,297	0	70	4,974	4,676	4,690	40,502
Sept. 30, 1950.....	2,494	1,442	13,605	924	208	3,878	2,058	1,951	7,652	0	1,405	11,608	0	323	4,904	5,476	5,334	40,488
Dec. 31, 1950.....	1,788	1,540	13,853	282	322	4,554	1,404	1,411	7,645	14	760	10,203	0	127	4,576	3,488	4,160	40,630
Mar. 31, 1951.....	2,153	1,631	14,375	873	517	4,910	2,869	1,847	8,667	3	1,262	9,457	0	169	4,449	5,898	5,426	39,958
June 30, 1951.....	2,350	2,022	14,703	1,387	615	5,682	3,724	3,017	10,374	197	768	8,198	0	752	4,280	7,658	6,174	40,430
Sept. 30, 1951.....	2,348	1,808	15,243	1,654	865	6,471	3,342	1,472	12,244	823	430	7,627	0	130	3,528	8,167	4,705	41,914
Dec. 31, 1951.....	2,211	2,186	15,268	2,117	641	7,947	2,967	1,985	13,226	2,373	564	8,020	0	23	3,398	9,668	5,399	45,376
Total.....	15,830	13,698	-----	8,470	3,361	-----	17,314	11,345	-----	3,417	5,885	-----	0	1,599	-----	45,031	35,888	-----

¹ Calculated Dec. 31, 1951.

EXHIBIT 2C

Medical supply data by depots (Army) by quarters

[Tons]

Calendar year quarter ending—	Louisville			St. Louis			Alameda			Schenectady			Atlanta			Total		
	In	Out	On hand	In	Out	On hand	In	Out	On hand	In	Out	On hand	In	Out	On hand	In	Out	On hand
June 30, 1950.....	1,206	700	21,564	1,065	1,957	27,907	2,827	2,679	8,928	728	931	4,115	990	1,034	10,257	6,816	7,301	72,771
Sept. 30, 1950.....	1,482	940	22,106	1,507	3,549	25,865	4,092	4,112	8,908	886	1,219	3,782	857	1,723	9,391	8,824	11,543	70,052
Dec. 31, 1950.....	2,839	2,812	22,133	3,648	4,194	25,319	2,971	4,603	7,276	1,974	1,826	3,930	943	1,685	8,649	12,375	15,120	67,307
Mar. 31, 1951.....	1,689	2,133	21,689	4,129	3,675	25,773	4,635	3,585	8,326	2,995	2,322	4,603	1,934	1,725	8,858	15,382	13,440	69,249
June 30, 1951.....	3,554	3,340	21,903	3,483	4,149	25,107	4,373	3,635	9,064	1,849	2,406	4,046	1,823	1,756	8,925	15,082	15,286	69,045
Sept. 30, 1951.....	3,630	1,792	23,741	4,046	3,446	25,707	6,638	3,962	11,740	2,936	2,322	4,660	1,870	1,783	9,012	19,120	13,305	74,860
Dec. 31, 1951.....	3,183	2,165	24,759	7,100	3,434	29,373	7,946	4,116	15,570	3,661	2,600	5,721	2,344	1,872	9,484	24,234	14,187	84,907
Total.....	17,583	13,882	-----	24,978	24,404	-----	33,482	26,692	-----	15,029	13,626	-----	10,761	11,578	-----	101,833	90,182	-----

ALAMEDA MEDICAL SUPPLY TEST

EXHIBIT 3

Exhibit 3—Policy and planning documents, medical and dental group, supply systems study project, may be found in the appendix of the hearings held February 22, 27, 28, March 5 and 11, 1952, by the Intergovernmental Relations Subcommittee of the House Committee on Expenditures in the Executive Departments, on Federal Supply Management (Textiles and Clothing) (ASPR Conference).

EXHIBIT 4A

THE SECRETARY OF DEFENSE'S MEMORANDUM OF MAY 31, 1951, ON PROGRAMING
MILITARY PROCUREMENT AND RELATED MATTERS

Memorandum for: The Secretary of the Army.
The Secretary of the Navy.
The Secretary of the Air Force.
The Assistant Secretary of Defense (Comptroller).
The Assistant Secretary of Defense (Manpower and Personnel).
The Chairman, Munitions Board.

The purpose of this memorandum is to cover the action required to insure that the objectives of the President's statement of April 27, 1951, a copy of which is enclosed, are attained. After consultation with you, it has been determined that the action herein outlined will serve to achieve the desired result and, by letter today, the President is being so advised.

Under existing conditions the military departments have accepted as controlling military procurement the principle that once the approved active forces are raised and modernized and current operating stocks are on hand, maximum feasible reliance will be placed on continuing expandable production rather than on reserve stocks of end items.

Accordingly, the basic objective of the military procurement program will be to supply to the services the material and equipment required for the timely accomplishment of their respective missions. In doing so, procurement and delivery of all items must be scheduled in a carefully planned and balanced manner to meet the actual service needs. At all times the present and future productive capacity of industry must be given full consideration and plans must, among other things, provide for the maintenance of production lines, and wherever possible, when computing requirements, take into account the rapid expansibility of these lines.

With the greatly increased program levels, it is now necessary that immediate steps be taken to improve existing procedures and systems in the areas treated in this memorandum.

To that end, therefore, the addressees will immediately implement the provisions of the succeeding paragraphs.

A. PRODUCTION SCHEDULING—HARD GOODS

The presently required submission of planned production schedules of hard goods to the Munitions Board for 50 percent of the total dollar value of military procurement of hard goods will be broadened to include 75 percent of the total dollar value of such procurement. These planned schedules, supported by justifications to the extent requested, will be submitted to the Munitions Board for approval. In the event that circumstances may cause continued variations or require major changes in approved schedules, revised schedules will be submitted for similar action.

Approved schedules will be adhered to in all procurement operations, and in all funding operations in support thereof—allowance being made for minor month-to-month differences between planned production rates and actual delivery rates thereunder. It is understood that production schedules must be acted upon promptly after submission to prevent delay. The items for which schedules will be submitted will be stated in an "item list" by the Chairman of the Munitions Board under separate memorandum, together with detailed instructions as to forms, procedures, and time of submission.

The criteria set forth below will be met by the military departments in the preparation of all such schedules. The staff of the Munitions Board will review such schedules for compliance with these criteria and will effect, with the military departments, any adjustments required, and differences which cannot be resolved under these procedures will be referred to the Munitions Board for resolution.

In addition, these schedules mentioned above will concurrently be submitted to the Assistant Secretary of Defense (Comptroller) for review and approval from a budget and fiscal standpoint and he will effect, with the military departments, any adjustments required from such standpoint.

The criteria are—

(a) Schedules must be realistic.

(b) An orderly procurement program is essential to minimize severe unnecessary jolts on the economy. In this connection, attention is invited to the fact that funds have been provided in budget estimates to care for deliveries of long lead-time items extending at least through December 31, 1952. Items should be scheduled accordingly, schedules should not be shortened and rates of production should not be increased except where specifically justified and approved.

(c) Where items are related, the scheduling of the easier-to-get items should conform to that of the more difficult.

(d) In preparing planned production schedules, the quantities scheduled may be projected as far ahead as desired but shall at least be projected to cover all hard goods procurement programs financed or to be financed from appropriations, replacing accounts, approved and proposed MDAP programs, and appropriation estimates as submitted by the President to the Congress. Hard goods procurement financed from revolving funds shall be scheduled at least through fiscal year 1953.

(e) Each military department in determining requirements will do so in sufficient detail to identify requirements for initial equipment, combat and peacetime usage, pipelines and war reserves, and take into account inventory position and matériel on order. In the preparation of planned production schedules to meet such net requirements, each department will give consideration to the potential capacity of projected production lines.

(f) In addition to carefully planning production schedules within major programs in accordance with criteria set forth herein, the several programs of the three services must be interrelated one to the other and modified where necessary if the composite produces a requirement for materials, manpower, or other resources in excess of availability. The responsibility for such interrelation of the several programs and the authority for necessary modifications rests with the Munitions Board based upon the military guidance of the Joint Chiefs of Staff.

Hard goods procurement, the schedules for which are not required to be submitted to the Office of Secretary of Defense, will be controlled within the military departments in a manner substantially the same as set forth above.

B. SOFT GOODS PROCUREMENT

It is essential that certain criteria be established to insure orderly procurement of the so-called soft goods. Such criteria are prescribed in the following paragraphs and will be applied immediately.

(a) Soft goods will be planned (or scheduled) for procurement only at the rate required to meet established military requirements and in such a manner that, wherever practicable production peaking will be avoided by the spacing of deliveries.

(b) For items of soft goods for which the total fiscal year 1952 military procurement objective, including MDAP needs, exceeds 2 million dollars, for any one military department, no more than one-third of the procurement objective for the year shall be contracted for delivery during any single quarter. In those cases in which the seasonal character of procurement, combat needs, or similar considerations indicate the desirability of contract delivery beyond these limits, such deviations will be authorized by the procurement secretary of the appropriate military department.

(c) Procurement of soft goods must be phased with deliveries of related items. Procedures will be developed for periodic review and revision within each military department of the procurement plans (or seedhulls) for soft goods items to insure that basic changes in schedules of hard goods end items are followed by corresponding changes in procurement plans for related soft goods items.

The Assistant Secretary of Defense (Comptroller) and the comptrollers of the three military departments, will make use of apportionment and reapportionment procedures to effect conformity with the spirit of the limitations outlined above. Where production schedules have been prepared and approved, apportionment of funds in support thereof will automatically follow.

The Munitions Board, in addition to having responsibility for periodic review of progress on production schedules approved by them will have responsibility for the periodic audit and review of planned production schedules approved within a military department for hard goods items, for planned procurement of soft goods, and of procurement practices at all procurement levels.

In application of the foregoing criteria procurement and fiscal personnel of each military department will take such action as may be required to disseminate the principles involved throughout their respective departments. Further, all procurement and fiscal personnel must be enjoined to bring to the attention of higher authority within each military department any instances in which they believe quantities or delivery schedules are of such character that they may or will have severe impact upon the industry involved.

C. RELATIVE URGENCIES

The system established within the Department of Defense for determining relative urgencies between military programs must be continued and also must be kept under continual review by the Munitions Board to insure its effective operation. Changes must be made immediately where necessary for improvement. The system must continue to provide for Joint Chiefs of Staff guidance on the basis of which Munitions Board implementation of an urgency program is effected.

D. INVENTORY CONTROL

The Munitions Board in conjunction with the Office of the Assistant Secretary of Defense (Comptroller) will provide for effective review of the methods and adequacy of the inventory control systems and procedures maintained by each military department. The objectives of this review will be to determine that—

(a) Inventories are properly considered in the computation of "net" requirements and prior to buying.

(b) A proper balance exists within each military department between the supply of and demand for individual end items of matériel.

(c) Inventory levels are sufficient to insure an ability to furnish supplies to the combat and service components of the respective departments in sufficient quantity, where needed, and in time.

(d) Supplies may be furnished on a cross-serving basis as desirable or necessary by any department to the combat and service components of the other departments.

(e) Inventory control information is available in sufficient detail to show the current stock position and the rates of current and anticipated depletion for the purpose of determining the criticality to the national defense of a threatened or existing labor dispute.

(f) As a long-term objective the military departments will develop and implement uniform policies and procedures for inventory control and inventory systems where uniformity is feasible and necessary or required for conformance with the provisions of section 401 of the National Security Act amendments of 1949 (Public Law 216, 81st Cong.).

The Munitions Board and Assistant Secretary of Defense (Comptroller) will render regular reports as to the status of the foregoing program.

E. MILITARY PETROLEUM PROGRAM

The Department of Defense policy is confirmed that procurement of petroleum products will be programed in direct relation to the requirements of the operating forces, including approved reserve stocks, GARIOA, MDAP, and other governmental program requirements handled by the military departments. In order to provide proper implementation of this policy, the Munitions Board, utilizing the Munitions Board Joint Petroleum Committee, will require regular reports from the departments. Based upon this data, the Munitions Board will insure that the military petroleum procurement programs are in consonance with the announced policy.

F. CONTROL OF CERTAIN SPECIAL PROCUREMENT PROGRAMS

The President's statement specifically mentioned necessity for control of certain major special procurement programs such as facilities, hand tools, lumber, petroleum, wool and cotton goods. Among the commodities listed, hand tools, lumber, and subsistence, and a major portion of wool and cotton goods are subject to single service procurement, and petroleum is subject to joint procurement.

To a large extent, adequate controls of such programs are prescribed under the section above devoted to production scheduling.

The Munitions Board and the Assistant Secretary of Defense (Comptroller) will, however, create committees to examine the programing and procurement procedures for each of the commodities mentioned above. Based upon the findings of these committees, the Munitions Board and Assistant Secretary of Defense (Comptroller) will take the action necessary to insure that the controls are adequate.

G. MACHINE-TOOL PROCUREMENT

The three military departments will make maximum utilization of their equipment reserve of machine tools and production equipment to meet their current requirements and before initiating procurement of such items.

It is recognized that the demand for machine tools will substantially exceed the supply. The responsibility for allocating machine tools to the military departments rests with the Munitions Board. In making allocations, the Munitions Board will give full consideration to the requirements of the military departments for machine tools to meet their respective needs, and to instances where the unavailability of machine tools will force a delay in one or several programs, based upon the military guidance of the Joint Chiefs of Staff.

It is to be recognized that machine tools are being procured to meet the requirements of current production and to establish tooled production lines with capacity in excess of current needs. The highest priority is to be given to the requirements of the military departments for current production needs and the secondary priority to the machine tool requirements for the so-called excess capacity.

H. GENERAL

Control of military public works (construction) program will be covered in a separate memorandum.

Estimates of total manpower requirements to support military production programs will be provided the Assistant Secretary of Defense (Manpower and Personnel) by the Munitions Board on the basis of broad production programs.

Each military department will report on the progress of major production programs to the Chairman of the Munitions Board, and will advise him of any important deficiencies or bottlenecks in any procurement program furnishing at the time all pertinent information relating thereto so that necessary action may be taken to assist the military departments either directly or through other defense agencies. Where manpower shortages or labor disputes are the cause of delays or interruption in production the military department will provide a list of the particular plants involved, their location, with indication of the problem in each instance, and remedial steps already taken by the procurement agency or the Armed Forces regional council at the local level. The Chairman of the Munitions Board will provide such manpower information to the Assistant Secretary of Defense (Manpower and Personnel) for such action as may be appropriate.

EXHIBIT 4B

17 JULY 1951.

Memorandum for: The Secretary of the Army.
The Secretary of the Navy.
The Secretary of the Air Force.
The Joint Chiefs of Staff.
The Chairman, Munitions Board.
The Chairman, Research and Development Board.

Subject: Basic policies governing the Department of Defense supply system.

1. The memorandum from the Secretary of Defense, subject: Department of Defense supply system, dated November 17, 1949, established basic policy for the development of a Department of Defense Supply System and assigned responsibility to the Munitions Board for developing the system. This directive was concurred in by the Joint Chiefs of Staff, and the military departments with respect to its implementation.

2. The purpose of this directive, therefore, is to clarify and amplify the basic policies which are to govern the operation of the supply systems in the military departments and to delineate more clearly the delegation of authority and the assignment of responsibility among the Munitions Board, the Joint Chiefs of Staff, and the military departments.

3. The basic policies of the Department of Defense governing the operation of the supply systems of the military departments have been and shall continue to be based on the declaration of policy contained in the National Security Act of 1947, as amended, which reads in part: "* * * to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide three military departments, separately administered, for the operation and administration of the Army, the Navy (including naval aviation and the United States Marine Corps), and the Air Force, with their assigned combat and service components; to provide for their authoritative coordination and unified direction under civilian control of the Secretary of Defense, but not to merge them; to provide for the effective strategic direction of the Armed Forces and for their operation under unified control and for their integration into an efficient team of land, naval, and air forces * * *"

4. Accordingly, the basic policies of the Department of Defense which shall govern the development and operation of the supply systems of the three military departments are:

(a) Each of the military departments shall operate and maintain a supply system and shall be responsible for the supply support of its own forces, except when such support is otherwise provided by specific agreements or assignments at force, theater, military department, or Department of Defense level.

(b) The supply systems developed shall be such that the combat efficiency of the armed services as a whole is the most effective which can be obtained within the limits of available personnel, funds, matériel, and legislative authority, and the procedures and methods of operation for the system of supply practicable for war will govern techniques used in time of peace.

(c) Uniform policies, standards, and procedures shall be developed to the extent necessary and feasible to effectively coordinate military supply operations in order to maintain or increase effective support of military operations and prevent unnecessary duplication or overlapping among the services, and to insure the maximum conservation and utilization of matériel and manpower resources.

(d) Cross, joint, or common servicing as defined in the Joint Chiefs of Staff Dictionary of United States Military Terms for Joint Usage shall be effected whenever such action will result in maintaining or increasing the effectiveness of support of military operations and will also eliminate unnecessary overlapping and duplication among the services.

(e) Single procurement in the form of single department, joint (agency) or plant cognizance shall be effected whenever such action will effectively support military operations and will result in the elimination of unnecessary overlapping and duplication of manpower, facilities, and operations in the procurement field.

5. As part of the implementation of the above basic policies, it is specifically desired that:

(a) Any expansion of the existing supply systems for the procurement and distribution of classes of common items of supply, not already agreed upon, shall be made by a military department only if in consonance with paragraph 4 (b) above and if approved by the Secretary of Defense.

(b) To the extent feasible and not already accomplished within each military department, responsibility for procurement and distribution of common classes of supply, including technical items, shall be assigned to a single (but not necessarily the same) technical service, bureau, or command.

(c) Priority study shall be given to the feasibility of assigning to a single military department the responsibility for procurement, distribution, including depot storage and issue for classes of common items of supply and equipment, and depot maintenance of such equipment. Medical supply items shall be the first category to be studied.

(d) The Munitions Board in conjunction with the military departments shall immediately initiate the actions required to insure that (1) common administrative supplies and equipment are purchased through General Services Administration to the maximum extended practicable, (2) requirements for such items are accurately determined and furnished to the General Services Administration sufficiently in advance to permit that agency to do planned and intelligent buying and stocking.

6. The Munitions Board shall have primary responsibility for initiating, coordinating, interpreting and establishing priority for all actions required by or in collaboration with the military departments to implement the basic policies set forth above.

7. The Joint Chiefs of Staff shall be responsible for fully cooperating with and advising the Munitions Board in this effort. This action by the Joint Chiefs of

Staff will have as its primary purpose assuring that supply policies, standards, and procedures developed by the Munitions Board in conjunction with the military departments are in full accord with approved joint strategic and logistic operational plans, related logistic and mobilization plans, and logistic assignments made in accordance with such plans. The Joint Chiefs of Staff will review the proposed system or elements of the system as they are developed for the purpose of determining whether or not such a system will effectively support military operations.

8. The Assistant Secretary of Defense (Comptroller), shall be responsible for fully cooperating with and advising the Munitions Board in the studies and actions outlined in paragraph 5 above to the end that adequate fiscal systems and procedures are developed to make feasible such supply policies and procedures as may be approved for implementation.

9. The Secretary of each of the military departments shall be responsible for taking all actions required to produce the optimum coordination and effectiveness of supply operations within and among the military departments and all other agencies of the Department of Defense and for insuring that the fullest cooperation is extended to the Munitions Board, the Joint Chiefs of Staff, and other agencies of the Department of Defense in the implementation of the basic policies set forth above.

10. If, in the implementation of this directive, there arises disagreements which cannot be settled at the level of the Munitions Board or the Joint Chiefs of Staff the matter will be referred to me.

11. Previous policy directives, with respect to Department of Defense supply systems, except where inconsistent with the provisions of this directive, shall remain in full force and effect.

12. Beginning September 1, and quarterly thereafter, the Munitions Board will submit a report of the actions taken with respect to paragraphs (5) (c) and (d), and the military departments on actions taken with respect to paragraph 5 (b).

ROBERT A. LOVETT,
Acting Secretary of Defense.

EXHIBIT 4C

9 August 1951
Number 250.11-2

DEPARTMENT OF DEFENSE DIRECTIVE, WASHINGTON 25, D. C.

Title: 250 Supply Management

Subtitle: 11 Matériel Control

Number: 250.11-2 Supply Systems Study Project

1. The purpose of this directive is to establish a Department of Defense Supply Systems Study Project which is designed to facilitate (1) the implementation of that portion of my directive of 31 May 1951, which requires the Munitions Board, in conjunction with the Office of the Assistant Secretary of Defense (Comptroller), to provide for effective review of the methods and adequacy of the inventory control systems and procedures maintained by each military department, and (2) the implementation of my directive of 17 July 1951 which clarifies certain Department of Defense supply management policies.

2. Accordingly, the basic purpose of the Department of Defense Supply Systems Study Project will be to develop and recommend such changes to existing organization, policies, standards, and procedures governing the supply operations within the Department of Defense as will maintain or increase military effectiveness and produce the optimum efficiency and economy of these supply operations from the initial requirements and resources planning stage to final consumption or other disposition.

3. In accordance with paragraph 7 of the 17 July 1951 directive of the Acting Secretary of Defense (Department of Defense Directive No. 250.01-1), the Joint Chiefs of Staff will review the proposed system or elements of the system as they are developed for the purpose of determining whether such a system will effectively support military operations. Similarly, in accordance with paragraph 8 of the directive, the Assistant Secretary of Defense (Comptroller) will cooperate with and advise the Munitions Board in these studies.

4. The inclosure outlines in further detail the plan approved for this Project. It is my desire that this Project be given priority attention and your full support.

ROBERT P. LOVETT, *Acting Secretary.*

Inclosure, 1.

9 August 1951
250.11-2

DEPARTMENT OF DEFENSE SUPPLY SYSTEMS STUDY PROJECT

I. SCOPE AND APPROACH

The Department of Defense Supply Systems Study Project will encompass the examination of the organization, policies, standards, and procedures governing the supply systems of the military services within the United States and overseas. In carrying out the Project work, when categories of matériel are selected for study they will normally be selected from the Standard Matériel Category Grouping System approved by the Munitions Board on 7 September 1950. For each of the typical categories of matériel selected, detailed examination will be made of the policies, standards, and procedures governing the functions of requirements computation, procurement, distribution and redistribution, maintenance, budgeting and financing. Examination also will be given on a priority basis to the feasibility of assigning to a single military department responsibility for procurement, distribution, including depot storage and issue, and maintenance of common categories of supply. The Medical and Dental Category shall have first priority of this type of study. The Munitions Board staff will prepare for Munitions Board approval a program for additional studies beyond this category.

II. OBJECTIVES

The objectives of the Supply Systems Study Project will be to develop policies, standards, and procedures:

- a. To promote the maximum military effectiveness throughout the Department of Defense in the field of matériel logistics.
- b. To promote economy and efficiency throughout the Department of Defense in the field of matériel logistics.
- c. To promote the maximum practicable comparability for budget development in the field of matériel logistics.

III. ORGANIZATION AND ADMINISTRATION

Over-all responsibility for the Supply Systems Study Project is vested in the Munitions Board. Subject thereto, primary responsibility for the organization, direction, and control of the Supply Systems Study Project, including the selection of categories of matériel, is delegated to the Chairman of the Munitions Board, it being expressly understood that selection of categories to be studied shall be subject to approval of the Munitions Board. In exercising this responsibility the Chairman of the Munitions Board will obtain the advice of the Supply Management Advisory Council as to categories or areas to be studied, priorities for studies, target dates for completion, and quality and numbers of personnel to be employed.

The Supply Systems Study Project will be headed by a Project Director who shall be appointed by the Chairman of the Munitions Board and who shall be responsible for the detailed planning, organization, and control of the Project work. The Project Director will be assisted by such Assistant Project Directors as are required, who shall be selected from personnel nominated by the Defense Management Committee, the Joint Chiefs of Staff, the Assistant Secretary of Defense (Comptroller), the military departments, and other appropriate Department of Defense agencies.

The Vice Chairman for Supply Management is authorized to call upon the military departments for information, technical advice, and, after consultation with Supply Management Advisory Council, the detail of personnel to assist in the Supply Systems Study Project. Personnel may be requested for temporary, full-time detail to form work groups or for part-time consultation. Such personnel must be acceptable to the Vice Chairman for Supply Management. Calls for departmental or agency personnel shall be kept to the minimum consistent with the necessity for prompt and satisfactory results in accordance with target dates established.

In the conduct of the Project work the fullest practicable use shall be made of factual information and data of all types which have been developed or are under development within the Department of Defense and its agencies, the Congress, research and educational institutions or industry, in order that duplication and overlapping or repetition of effort may be avoided.

EXHIBIT 4D

29 December 1951
Number 250.11-4

DEPARTMENT OF DEFENSE DIRECTIVE, WASHINGTON 25, D. C.

Title: Supply Management

Subtitle: Matériel Control

Number: 250.11-4, Medical Supply Support Test

Reference (a) DOD Directive 250.01-1, dated 17 July 1951

Reference (b) DOD Directive 250.11-02, dated 9 August 1951

1. Reference (a) provided that priority would be given by the Munitions Board to the feasibility of assigning to a single military department the responsibility for procurement, distribution, and depot maintenance of common items of supply and equipment, and that medical supply items would be the first category to be studied. Reference (b) established a Department of Defense Supply Systems Study Project which is responsible for the implementation of reference (a). The purpose of this directive is to further implement these above-cited directives.

2. A Medical Supply Support Test, encompassing the supply areas of depot procurement, distribution and depot maintenance, will be conducted according to general plans developed by the Munitions Board. The Chairman of the Munitions Board is assigned primary responsibility for the direction and control of the Test.

3. General conditions governing the Medical Supply Support Test:

a. The Test will be conducted by the Department of the Army in the Sixth Army Area.

b. The Army Medical Depot, Alameda, California, will assume, in addition to its current mission, the logistic responsibility for depot procurement, distribution and depot maintenance of medical and dental supplies and equipment, for all activities of the U. S. Navy, including shore, fleet, and overseas activities, currently receiving medical supply support from the Naval Medical Supply Depot, Oakland, California.

c. The duration of the Test will be approximately six months. An extension of this period is authorized if developments indicate necessity or desirability.

d. Under no circumstances will any portion of this test be allowed to interfere, delay or otherwise reduce the quality or quantity of medical supply support to the Far East Command; any portion or all of the Test will be cancelled immediately if such interference occurs, and the Commander-in-Chief, Far East, will be a determining influence in such decision.

e. Responsibility for the general planning required prior to the commencement of Test operations is assigned to the Medical and Dental Group, Munitions Board Supply Systems Study Project. This Group will be assisted as required by the three military departments and staff agencies of the Department of Defense. Detailed planning required for the actual Test operations will be based on the general plans established by the Medical and Dental Group, and will be the responsibility of the Department of the Army, assisted by the Departments of the Navy and Air Force.

f. Plans developed will provide for:

(1) Maintenance of comparable records for measuring the cost and effectiveness of operations;

(2) Observation of the principle of separate stock ownership and issue control;

(3) Utilization, where applicable, of the policies governing medical supply operations as presented in DOD Memo, dated 22 November 1950, subject: "Policies governing Medical Supply Operations;"

(4) Submission of the necessary reports. _

J. D. SMALL,
Chairman, Munitions Board.

EXHIBIT 4E

21 April 1952
Number 250.11-5

DEPARTMENT OF DEFENSE DIRECTIVE, WASHINGTON 25, D. C.

Title: Supply Management

Subtitle: Matériel Control

Number: 250.11-5 Duration of Medical Supply Support Test

Reference (a) Directive 250.11-4, Medical Supply Support Test, 29 December 1951

1. Reference (a) directed the Department of the Army to conduct a Medical Supply Support Test in the Sixth Army Area under the direction and control of The Chairman of the Munitions Board. The purpose of this directive is to delineate the calendar period for the Test.

2. The Test was placed in full operation on 1 March 1952 and it will continue for the six months' period ending 31 August 1952 in accordance with the directions and general conditions contained in reference (a).

J. D. SMALL,
Chairman, Munitions Board.

APPENDIX 5*

Storage and issue personnel, inventory and space occupied (fiscal year 1948), as reported by Air Force, Army, and Navy through the Munitions Board

National Military Establishment	Military personnel		Civilian personnel		Volume of inventory	Storage space (square feet)
	Number	Total salaries	Number	Total salaries		
Air Force: Air Matériel Command (Air matériel areas and specialized depots)-----	229	\$940,420	18,023	\$43,788,131	\$8,043,072,272	39,060,000
Total-----			18,252	44,728,551	8,043,072,272	39,060,000
Army:						
General Staff-----	14	70,000	19	57,000	0	0
Ordnance Department ¹ -----	115	451,260	12,308	32,014,255	5,443,440,000	191,233,000
Signal Corps ¹ -----	72	360,000	3,174	6,604,714	631,441,000	6,034,000
Quartermaster Corps ¹ -----	134	530,496	7,293	15,982,470	1,398,430,000	12,408,000
Medical Department ¹ -----	31	98,766	577	1,373,077	72,807,000	3,098,000
Corps of Engineers ¹ -----	9	53,235	1,013	2,504,778	415,978,000	3,161,000
Transportation Corps ¹ -----	116	638,000	3,446	10,510,300	82,211,000	7,694,000
Chemical Corps ¹ -----	317	558,780	1,640	4,035,514	96,637,000	11,975,000
Adjutant General-----						179,000
General depots-----						62,424,000
Total-----	808	2,760,537	29,475	73,082,108	8,140,944,000	298,206,000
			30,283	75,842,645	8,140,944,000	298,206,000
Navy:						
Chief Naval Operations-----	8	38,496	15	44,925	153,267,316	-----
Executive Offices of Secretary-----	12	57,744	8	23,960	(2)	-----
Bureau of Ordnance-----	105	344,220	2,441	7,034,245	4,591,372,000	26,086,323
Bureau of Medicine-----	114	548,568	612	1,832,940	54,637,277	773,623
Bureau of Supplies and Accounts-----	1,961	6,513,372	41,702	106,012,990	2,977,689,383	81,526,540
Bureau of Ships ² -----					919,824,261	32,137,591
Bureau of Yards and Docks ² -----					104,000,000	18,265,864
Bureau of Aeronautics ² -----					1,091,279,866	11,523,990
Bureau of Personnel ² -----					12,167,608	-----
Marine Corps-----	2,669	7,723,215	4,971	12,656,909	690,535,675	21,931,480
Total-----	4,869	15,225,615	49,749	127,605,969	10,594,773,386	192,245,411
			54,618	142,831,584	10,594,773,386	192,245,411
Military grand total-----	5,906	18,926,572	97,247	244,476,208	26,778,789,658	529,511,411
			103,153	263,402,780	26,778,789,658	529,511,411

*From the Hoover Commission Task Force Report on the Federal Supply System.

¹ Part is attributable to activity for Air Force.² Figure (\$153,267,316) given for Chief Naval Operations also represents Executive Offices of the Secretary³ Personnel assigned to Bureau of Supplies and Accounts serve these Bureaus.

